



Censure of Lion One Metals Limited (ASX: LLO)

7 June 2024

Formal censure for breach of Listing Rule 7.1

1. ASX has today formally censured Lion One Metals Limited (the 'Company') for breach of Listing Rule 7.1.
2. The Company issued equity securities in excess of its capacity under Listing Rule 7.1, without the approval of holders of its ordinary securities. The equity securities were 24,150,000 common shares and 25,599,000 warrants issued on 14 February 2024 under an underwritten public offering conducted in Canada.
3. The Company proceeded with the issue after having been informed by ASX that the issue would breach Listing Rule 7.1 and that its securities would be suspended from quotation by ASX. That suspension was imposed by ASX on 14 February 2024.
4. The Company's responses to ASX's queries during the course of enquiries into this matter disclosed, among other things, that the Company had likely breached Listing Rule 7.1 with respect to a number of capital raisings conducted since it had commenced quotation on ASX in 2013. The Company stated that this was the result of an incorrect assumption that it had been granted a waiver from Listing Rule 7.1.
5. The written advice from ASX to the Company of the waivers that it had been granted, as a dual listed entity, stated specifically that ASX did not grant LLO a waiver from Listing Rule 7.1. ASX does not consider that there was any reasonable basis on which the Company could assume that it was not required to comply with Listing Rule 7.1.
6. The Company has accepted that it breached Listing Rule 7.1 with respect to the 14 February 2024 capital raising, and that this breach cannot be characterised as inadvertent, as the capital raising was conducted by the Company with the knowledge that the breach would occur. The Company stated that it was unable to "reverse course" on the capital raising, as it was obligated under its underwriting agreement to continue.
7. Even if the Company was subject to contractual obligations with respect to the 14 February 2024 capital raising, this did not relieve it of its obligation to comply with Listing Rule 7.1. A listed entity cannot contract out of the Listing Rules, and is expected to conduct any corporate transactions in compliance with the Listing Rules. The Company's responses to ASX confirm that its breach of Listing Rule 7.1 was wilful, and are indicative of a preparedness to breach the Listing Rules where it is expedient to do so.
8. The Company has engaged in a serious breach of the Listing Rules in breaching Listing Rule 7.1 in this way. Given the seriousness of this breach, and the Company's apparent inadvertence to the requirements of Listing Rule 7.1 over a considerable period of time, ASX has today formally censured the Company.
9. ASX provided the Company with an opportunity to make submissions and comment on this censure notice prior to making this determination. The Company declined to provide a response.

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ASX Compliance